

MARCH 2010

INFORMATION

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**Liquidation & Purchase
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All SBA programs and
services are provided on
a nondiscriminatory basis.

Recovery Act Funding Extended, Small Business Week 2010

Dear Lender –

On Friday, March 26th the President signed legislation that extends the authority of SBA to use the remainder of the previously appropriated \$40 million in American Recovery and Reinvestment act funding for waiver of fees and extends the authority to make 90% guarantees until April 30, 2010. More details can be found later in the newsletter.

Also, please see the notice on Dealer Floor Planning which is attached to this newsletter

Congratulations to this year's Iowa Small Business Week award winners. We will be recognizing these award winners at this year's SMART Economic Development Conference on May 6th. The SMART Conference is billed as THE economic development conference for Iowa. If you're interested in attending, you can find out more about it at <http://www.iowasmartconf.com/>

This year's Iowa Small Business Persons of the year, Rob and Tara Lynn Hach, owners of Anemometry Specialists, Inc of Storm Lake, will represent Iowa in Washington DC during national Small Business Week scheduled for the week of May 23rd this year.

This past week the White House recognized the value of exports to our state's economy by making Des Moines

one of eight cities around the country for the rollout of its national Export Initiative. This is a multi agency initiative designed to double the country's exports over the next five years.

As a part of the National Export Initiative, SBA is working to identify small businesses who are interested in exporting and partnering with our agency partners to provide the tools and resources to enhance the export opportunities for small businesses.

Insta-Pro, a manufacturer of grain and food extrusion products in Urbandale hosted the Des Moines rollout on Monday March 22nd. We congratulate them on the Export Achievement award presented to them by Ro Khanna, Deputy Assistant Secretary, Office of Domestic Operations of the Department of Commerce's U.S. & Foreign Commercial Service division.

We wish to again thank you on behalf of Iowa's small businesses for the effective utilization of our lending tools during these challenging times. Iowa SBA lending activity continues at a record pace. Through March 26th 540 loans for \$152.5 million have been approved this fiscal year. This compares to 251 loans for \$62.3 million for the same time period last year.

- Joseph M. Folsom, District Director



Recovery Act Funding Extended Through April – Loan Queue Briefly Activated

President Barack Obama signed on Friday legislation extending through April the U.S. Small Business Administration's ability to provide enhancements in its two largest small business loan programs.

The SBA estimates the \$40 million extension will support about \$1.4 billion in small business lending.

As part of the Recovery Act enacted on Feb. 17, 2009, SBA received \$730 million to help small businesses, including \$375 million to increase the SBA guarantee on 7(a) loans to 90 percent and to waive borrower fees on most 7(a) and 504 loans. The funds for these programs were exhausted on Nov. 23, 2009, and an additional \$125 million was provided in December. Those funds were exhausted in late February,

2010, and an additional \$60 million was provided subsequently. That funding was exhausted late Friday.

Under the new extension SBA may continue to waive loan fees and provide higher guarantee levels on 7(a) loans through April, 30, 2010, or until the funds provided under the bill are exhausted.

When the funds provided for March were exhausted, SBA reactivated the Recovery Loan Queue, as occurred in November and again in February, to cover the brief period of time before the funds from the extension become available, which should be within a few days.

Eligible small business loan applicants, in consultation with their

lenders, may choose to be placed in the queue for possible approval of a Recovery Act loan when funding becomes available.

For non-Recovery Act 7(a) or 504 loans already funded during the Recovery Loan Queue period, this extension does not provide a retroactive guarantee or fee relief. Loans that were funded under non-Recovery Act terms cannot be canceled and resubmitted to take advantage of the Recovery Act extension provisions.

This extension does not affect other SBA Recovery Act programs, including the America's Recovery Capital (ARC) loan program or the agency's microloans. Recovery Act funding still remains available for both of those programs.

SBA Recognizes Iowa Small Business Week Award Winners for 2010

Scheduled for the week of May 23rd of this year, Small Business Week 2010 will honor the estimated 25 million small businesses in America. Since its establishment in 1963, the highlight of this annual tradition is the presentation of awards which focus on the outstanding contributions of small business persons and champions at the district, state and national levels. The U.S. Small Business Administration has announced the following winners of its 2010 Iowa Small Business Awards:

Iowa Small Business Persons of the Year

Rob and Tara Lynn Hach,
Anemometry Specialists, Inc.
Storm Lake, IA

As the 2010 Iowa Small Business Persons of the Year, Rob and Tara will represent Iowa at National Small

Business Week ceremonies in Washington, D.C. May 23-25, 2010 where they will compete for the National Award.

Iowa Women in Business Champion of the Year

Cherish Anderson, Nanny2Shoes
Des Moines, IA

Iowa Small Business Development Center Service Excellence and Innovation Award

Al Beach, Regional Director,
Kirkwood Community College SBDC
Marion, IA

2010 Iowa Phoenix Disaster Awards for Outstanding Small Business Disaster Recovery

During Small Business Week, Phoenix awards are presented to those individuals whose efforts and

contributions have enabled their businesses and communities to recover successfully from a disaster.

The SBA has recognized the following three businesses in Iowa with the 2010 Iowa Phoenix Award for Outstanding Small Business Disaster Recovery.

Lance Finch, Carrie Whittaker
and Mark Whittaker
Dimensions Dental Studio, Inc.
Cedar Rapids, IA

Thomas Werning
and Daniel Ferguson
Universal Engineering Corp.
Cedar Rapids, IA

Faye, John, and Matt Swift
Red's Alehouse
North Liberty, IA

SBA Proposes Revisions to its Lender and CDC Risk Rating System

The Risk Rating System is an internal tool to assist SBA in assessing the risk of each active 7(a) Lender's and Certified Development Company's (CDC's) SBA loan operations and loan portfolio.

Consistent with industry best practices, SBA recently redeveloped

the model used to calculate the composite risk ratings to ensure that the Risk Rating System remains current and predictive as technologies and available data evolve.

The revised Risk Rating System is not yet in place. SBA is currently

giving lenders an opportunity to comment and to allow for any necessary adjustments as the industry moves through the economic cycle.

To view the details of the proposed revisions, go to <http://edocket.access.gpo.gov/2010/pdf/2010-4266.pdf>

SBA Lender Activity Report for FEBRUARY

LENDER NAME	LOCATION	#	AMOUNT	LENDER NAME	LOCATION	#	AMOUNT
WELLS FARGO BANK	IOWA	6	\$1,708,200	HILLS BANK AND TRUST CO.	HILLS	1	\$167,600
FIDELITY BANK & TRUST	DUBUQUE	6	\$210,000	VALLEY BANK & TRUST	CHEROKEE	1	\$144,600
LIBERTY BANK	WDM	5	\$1,011,100	WEST BANK	WDM	1	\$140,000
IOWA BUSINESS GROWTH CO.	JOHNSTON	4	\$2,087,000	SMALL BUS. GROWTH CORP	SPRINGFIELD	1	\$118,000
CLEAR LAKE BANK & TRUST CO.	CLEAR LAKE	4	\$1,272,870	CHEROKEE STATE BANK	CHEROKEE	1	\$102,600
SIOUXLAND ECON. DEV. CORP.	SIOUX CITY	4	\$1,093,000	FIRST NEWTON NATIONAL BANK	NEWTON	1	\$94,000
CITIZENS STATE BANK	MONTICELLO	4	\$140,000	UNITED BANK OF IOWA	IDA GROVE	1	\$75,000
US BANK	IOWA	3	\$265,000	FIRST NATIONAL BANK AMES	AMES	1	\$69,500
AMERICAN STATE BANK	SIOUX CENTER	3	\$87,100	COMMUNITY SAVINGS BANK	EDGEWOOD	1	\$68,300
IOWA TRUST & SAVINGS BANK	EMMETSBURG	2	\$967,300	NORTHWOODS STATE BANK	MASON CITY	1	\$64,000
FIRST AMERICAN BANK	CLIVE	2	\$773,000	NORTHWESTERN BANK	ORANGE CITY	1	\$60,000
FARMERS STATE BANK	MARION	2	\$580,000	CENTRAL STATE BANK	MUSCATINE	1	\$55,000
BANKIOWA	CEDAR RAPIDS	2	\$275,000	COMMUNITY 1ST CU	OTTUMWA	1	\$53,000
NORTHWEST BANK	SPENCER	2	\$246,900	CITY STATE BANK	NORWALK	1	\$46,000
COMMUNITY STATE BANK	ANKENY	2	\$245,000	DUPACO COMMUNITY CU	DUBUQUE	1	\$35,000
BRIDGE COMMUNITY BANK	MOUNT VERNON	2	\$110,000	GATEWAY STATE BANK	CLINTON	1	\$35,000
BLACK HAWK ECONOMIC DEV.	WATERLOO	1	\$2,441,000	HEARTLAND BANK	SOMERS	1	\$35,000
BANKORION	ILLINOIS	1	\$2,000,000	HERITAGE BANK	MARION	1	\$35,000
VALLEY BANK	ILLINOIS	1	\$2,000,000	MIDWESTONE BANK	IOWA CITY	1	\$35,000
FIRST COLORADO NATL BANK	COLORADO	1	\$1,700,000	SECURITY STATE BANK	ANAMOSA	1	\$35,000
GREAT WESTERN BANK	IOWA	1	\$1,650,000	WESTSIDE STATE BANK	WESTSIDE	1	\$35,000
FIRST CENTRAL STATE BANK	DE WITT	1	\$825,500	SECURITY STATE BANK	ALGONA	1	\$29,300
BANK IOWA	HUMBOLDT	1	\$750,000	SAVINGS BANK	PRIMGHAR	1	\$22,400
ACKLEY STATE BANK	ACKLEY	1	\$597,400	BANK MIDWEST	SPIRIT LAKE	1	\$20,000
MAINSTREET LENDER 7(A), LLC	MARYLAND	1	\$550,000	NORTHWEST BANK & TRUST CO	DAVENPORT	1	\$15,000
CEDAR RAPIDS BK & TR CO	CEDAR RAPIDS	1	\$350,000	TITONKA SAVINGS BANK	TITONKA	1	\$8,000
HERITAGE BANK NATL ASSOC	HOLSTEIN	1	\$339,000	SUPERIOR FINANCIAL GROUP, LLC	CALIFORNIA	1	\$7,500
FARMERS & MCHNTS SVGS BK	MANCHESTER	1	\$230,000				

The following lenders were participant lenders in the SBA's 504 Loan Program in Iowa during the month of February

LENDER NAME	LOCATION	#	AMOUNT	LENDER NAME	LOCATION	#	AMOUNT
FIRST SECURITY BANK	CHARLES CITY	2	\$1,647,500	STATE BANK	SPENCER	1	\$387,500
BANKERS TRUST	CEDAR RAPIDS	1	\$3,030,000	BANKERS TRUST	DES MOINES	1	\$251,000
FARMERS & MCHNTS SVGS BANK	CEDAR RAPIDS	1	\$1,040,000	NORTHWEST INVESTMENT CORP	DAVENPORT	1	\$142,500
SECURITY NATIONAL BANK	SIOUX CITY	1	\$477,500	FIRST NATIONAL BANK	LEMARS	1	\$77,500
IOWA STATE BANK	SHELDON	1	\$400,000				



SBA Information Notice

TO: All Employees

CONTROL NO.: 5000-1145

SUBJECT: Supplemental 1502 Reporting on All
Dealer Floor Plan Loans

EFFECTIVE: 03-16-2010

On July 6, 2009, SBA published a notice in the Federal Register to announce the Dealer Floor Plan Pilot Initiative. (74 FR 32006) In that notice, SBA informed lenders that they would be required to periodically report on the disbursement and collection activity of each loan in addition to their regular 1502 reporting requirements. This additional reporting is necessary to allow SBA to conform to accounting and budgeting requirements under the Federal Credit Reform Act as well as to evaluate and monitor portfolio performance. The purpose of this Notice is to provide lenders with further guidance on this additional reporting requirement.

New SBA Form 1502 R: SBA has created a new form to be used when reporting on all Dealer Floor Plan (DFP) Pilot Initiative lines of credit, including those DFP lines of credit that have already been approved. This form is called SBA Form 1502 R, Lender's Disbursement and Collection Report for SBA Guaranteed Revolving Lines of Credit. A copy is attached to this Notice. This form may be found at: http://www.sba.gov/idc/groups/public/documents/sba_homepage/lender_creditresol_form1502.pdf

Lenders with a disbursed SBA-guaranteed DFP line of credit in their portfolio must complete SBA Form 1502 R to report monthly disbursement and collection activity (drawdowns, repayments and fees) for that line of credit. Lenders must submit SBA Form 1502 R to SBA for each calendar quarter ending March 31, June 30, September 30 and December 31, beginning with the 1st Quarter of Calendar Year 2010 (January through March). While the SBA Form 1502 R is submitted to SBA on a quarterly basis, the disbursement and collection activity reported on the form is monthly (from the first business day to the last business day of each month). Lenders must submit SBA Form 1502 R by the last day of the month immediately following the end of each calendar quarter. All completed forms must be sent to Sandra L. Johnston, Office of Financial Assistance, Suite 8300, 409 Third Street, SW, Washington, D.C. 20416. Her fax number is (202) 481-5483.

Lenders are required to complete a separate SBA Form 1502 R for each SBA-guaranteed DFP line of credit that has any balance outstanding during the quarter. The months to be reported on in the initial submission shall be for the 1st Quarter of Calendar Year 2010 (January through March). Lenders are not required to complete SBA Form 1502 R for disbursement and collection activity occurring in 2009. Subsequent Forms 1502 R are due for each calendar quarter until the line is paid in full.

Notification and Questions: SBA's Standard 7(a) Loan Guaranty Processing Center will notify all lenders participating in the DFP Pilot Initiative of the availability of the new SBA Form 1502 R. SBA field offices with questions on this notice may direct their questions to Sloan Coleman at w.coleman@sba.gov in the Office of Financial Assistance. Lenders are directed to forward questions to their local SBA field office. A list of the local SBA field offices may be found at: www.sba.gov/localresources/index.html.